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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

QUARTERLY REPORT UNDER SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarter ended March 31, 1992

Commission file number 0 92-2256

HOMETOWN BANCSHARES, INCORPORATED
(Exact name of registrant as specified in its charter)

West Virginia	55-0684421
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer identification No.)
Fair and Dodd Streets, Middlebourne, WV	26149
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: 304-758-2191

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days
Yes__X__ No_____

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at May 15, 1992
Common stock, $1.00 par value	337,077

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HOMETOWN BANCSHARES, INCORPORATED
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PART I - FINANCIAL INFORMATION

HOMETOWN BANCSHARES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEET
(In thousands)

	March 31, 1992	December 31, 1991*
	(unaudited)	
ASSETS		
Cash and Due from Banks	$ 3,467	$ 3,148
Interest-bearing Balances due from Banks	284	0
Investment Securities:		
U.S. Government Obligations	24,885	24,679
State, County, and Municipal Bonds	2,364	2,080
Other Investments	736	751
Federal Funds Sold	4,955	3,575
Loans (net of unearned discount)	46,278	47,026
Less: Reserve for Loan Losses	634	603
Premises and Equipment - net	1,644	1,683
Accrued Interest Receivable	910	821
Other Assets	996	951
TOTAL ASSETS	$ 85,885	$ 84,111
LIABILITIES AND CAPITAL		
Deposits:		
Demand - Non-interest bearing	$ 7,204	$ 7,186
Demand - Interest bearing	14,480	12,674
Savings	21,628	20,790
Time Deposits	33,467	34,549
TOTAL DEPOSITS	$ 76,779	$ 75,199
Notes Payable	25	25
Accrued Interest and Other Liabilities	636	548
TOTAL LIABILITIES	$ 77,440	$ 75,772
Common Stock (Par Value $1.00, 337,077 shares outstanding in 1992 and 1991)	$ 337	$ 337
Additional Paid-In Capital	$ 4,825	4,825
Undivided Profits	3,283	3,177
TOTAL SHAREHOLDER'S EQUITY	$ 8,445	$ 8,339
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	$ 85,885	$ 84,111

* denotes figures condensed from audited financial statements

The accompanying notes are an integral part of these condensed financial statements.

HOMETOWN BANCSHARES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF INCOME
(In thousands, except per share data)
(unaudited)

	March 31 1992	March 31, 1991
INTEREST INCOME		
Interest and Fees on Loans	$ 1,315	$ 1,355
Interest on Investment Securities:		
Interest on Taxable Securities	500	504
Interest on Non-taxable Securities	38	52
Interest on Federal Funds Sold	41	31
Interest on Deposits with Other Banks	2	0
TOTAL INTEREST INCOME	$ 1,896	$ 1,942
INTEREST EXPENSE		
Interest on Deposits	$ 917	$ 1,025
Interest on Notes Payable	0	2
TOTAL INTEREST EXPENSE	$ 917	$ 1,027
NET INTEREST INCOME	$ 979	$ 915
Provision for Loan Losses	48	45
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	$ 931	$ 870
OTHER INCOME		
Service Charges and Fees	$ 52	$ 52
Other Income	32	26
Gain on Sale of Securities	2	18
TOTAL OTHER INCOME	$ 86	$ 96
OTHER EXPENSES		
Employee Compensation and Benefits	$ 360	$ 358
Occupancy Expense, net of revenues	46	52
Furniture and Equipment Expense	52	49
Amortization of Core Deposit Intangible	23	28
Other Operating Expense	240	262
TOTAL OTHER EXPENSES	$ 721	$ 749
INCOME BEFORE INCOME TAXES	$ 296	$ 217
APPLICABLE INCOME TAXES	114	62
NET INCOME	$ 182	$ 155
NET INCOME APPLICABLE TO COMMON STOCK	$ 182	$ 155
PER COMMON SHARE DATA		
Net Income	$ .54	$ .46
Fully Diluted	$ .54	$ .46
Cash Dividends Declared	$ .18	$ .18

The accompanying notes are an integral part of these condensed financial statements.

HOMETOWN BANCSHARES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY
(In thousands)

	Period ending March 31 1992
	(unaudited)
COMMON STOCK ($1.00 par value, 3,000,000 shares authorized)	
Balance at beginning of period	$ 337
Balance at end of period - 337,077 shares issued and outstanding	337
ADDITION PAID-IN CAPITAL	
Balance at beginning of period	$ 4,825
Balance at end of period	$ 4,825
UNDIVIDED PROFITS	
Balance at beginning of period	$ 3,177
Net Income	182
LESS: Dividend on Common Stock	61
Change in Unrealized Loss on Equity Securities - net	(15)
Balance at end of period	$ 3,283
TOTAL SHAREHOLDERS EQUITY	$ 8,445

The accompanying notes are an integral part of these condensed financial statements.

HOMETOWN BANCSHARES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
(In thousands)

	Three Months ended March 31, 1992 (unaudited)	Three Months ended March 31, 1991 (unaudited)
INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS:		
CASH FLOWS FROM OPERATING ACTIVITIES:		
Interest Received	$ 1,804	$ 1,835
Service Charges, Fees and Commissions Received	55	63
Other Operating Income Received	30	38
Interest Paid	(272)	(336)
Cash Paid to Suppliers and Employees	(675)	(659)
Income Taxes Paid	(27)	(20)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 915	$ 921
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net Increase (Decrease) in Fed Funds Sold	$ (1,380)	$ (2,495)
Proceeds from Sale of Investment Securities	1,120	2,210
Purchases of Investment Securities	(1,383)	(2,573)
Loans Made to Customers	(9,061)	(5,490)
Principal Collected on Loans	9,261	6,218
Capital Expenditures	(5)	(22)
Proceeds from Sale of Real Estate	0	24
Purchase of Other Real Estate	(12)	(15)
NET CASH USED BY INVESTING ACTIVITIES	$ (1,460)	$ (2,143)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (Decrease) in Demand Deposits, NOW Accounts and Savings Accounts	$ 2,691	$ (445)
Proceeds from Sale of Certificates of Deposit	2,812	1,922
Payments for Maturing Certificates of Deposit	(3,917)	(1,537)
Increase (decrease) in Borrowed Funds	0	(30)
Dividends Paid	(61)	(61)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	$ 1,525	$ (151)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	$ 980	$ (1,373)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	3,148	4,382
CASH AND CASH EQUIVALENTS, March 31	$ 4,128	$ 3,009

The accompanying notes are an integral part of these condensed financial statements.

HOMETOWN BANCSHARES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
(In thousands)

	Three Months ended March 31, 1992 (unaudited)	Three Months ended March 31, 1991 (unaudited)
RECONCILIATION OF NET INCOME TO CASH PROVIDED BY OPERATING ACTIVITIES:		
NET INCOME	$ 182	$ 155
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Depreciation	$ 43	$ 47
Provision for Loan Losses	48	45
Net Amortization/(Accretion)	26	11
Amortization of Core Deposit Premium	23	28
(Increase) Decrease in Other Assets	(155)	(153)
Increase (Decrease) in Other Liabilities	(9)	62
Increase (Decrease) in Accrued Taxes	77	44
Interest Expense credited to Dep. Accts.	680	682
TOTAL ADJUSTMENTS	$ 733	$ 766
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 915	$ 921

DISCLOSURE OF ACCOUNTING POLICY:

For purposes of the Statement of Cash Flows, cash and cash equivalents include cash on hand, amounts due from correspondent banks and certificates of deposit investments with original maturities of 90 days or less.

NOTE 1: BASIS OF PRESENTATION

The interim consolidated financial statements presented herein have been prepared in conformity with generally accepted accounting principles and general practices within the banking industry. In management's opinion, the accompanying statements contain all adjustments necessary to present a fair statement of results for the interim periods presented, and such adjustments are of a normal recurring nature. However, these statements are not necessarily indicative of the results of operations for a full year and are subject to year-end audit adjustments.

On January 5, 1989, Hometown Bancshares, Inc. ("Hometown") acquired all of the outstanding shares of Union Bank of Tyler County, Middlebourne, WV, in exchange for common stock. This transaction, which was a reorganization, was accounted for as a pooling-of-interests. The financial statement presentation under the pooling-of-interests method presents the parent and its wholly-owned subsidiary as consolidated for the three-month periods ended March 31, 1992 and 1991.

Also on January 5, 1989, Hometown acquired all of the outstanding shares of The Community Bank, Pennsboro, WV in exchange for common stock and cash. As a result, the acquisition was accounted for under the purchase method and, accordingly, Hometown's consolidated financial statements include The Community Bank's results of operations from January 5, 1989.

On July 1, 1990, Hometown issued 72,345 shares of its common stock for all to the outstanding common stock of Universal BancCorp on a one to one exchange ratio. This merger has been accounted for using the pooling-of-interests method. The resultant effect was that Universal's subsidiary, The Bank of Paden City, became a wholly-owned subsidiary of Hometown, and Universal ceased to exist. Accordingly, the consolidated financial statements for the periods prior to the merger have been restated to include the accounts and operations of Universal BancCorp and its subsidiary.

The consolidated financial statements of Hometown Bancshares, Inc. include the accounts of Hometown and its wholly-owned subsidiaries. Material intercompany transactions and accounts have been eliminated.

NOTE 2: INVESTMENT SECURITIES

The book value and approximated market value of investment securities as of March 31, 1992 and 1991 are as follows:

	March 31, 1992 (000's)		March 31, 1991 (000's)	
	Book Value	Market Value	Book Value	Market Value
U.S. Government Securities	$24,885	$25,465	$22,916	$23,225
State, County and Municipal Bonds	2,364	2,455	2,826	2,830
Other Investments	736	852	929	1,035

NOTE 3: LOANS

Major classifications of loans are summarized as follows:

	March 31, 1992 (000's)	March 31, 1991 (000's)
Real Estate Loans	$21,823	$21,079
Installment Loans	17,194	16,353
Commercial and all Other Loans	8,682	9,643
	47,699	47,075
Unearned Discount	(1,421)	(1,541)
TOTAL LOANS	$46,278	$45,534

Change in the allowance for loan losses were as follows for the period ended March 31, 1992 and 1991:

	1992 (000's)	1991 (000's)
Balance at beginning of period	$ 603	$ 547
Provision charged to operations	48	45
Loans charged-off	(22)	(39)
Recoveries	5	6
Balance, March 31	$ 634	$ 559

NOTE 4: DEPOSITS

Time deposits issued in denominations of $100,000 or more as of March 31, 1992 and 1991 were 3,831,000 and 3,776,000, respectively.

NOTE 5: BORROWINGS

Floating Rate $100,000 Line of Credit, secured July 17, 1989, at New York Prime. This Line of Credit was originally established by Universal BancCorp, and was assumed by Hometown following the merger with Universal (see Note 1). The balance of notes payable was $25,000 and $70,000 at March 31, 1992 and 1991, respectively.

NOTE 6: INCOME TAX EXPENSE

The provision for income taxes is summarized as follows:

	Three months ended March 31, 1992 (000's)	Three months ended March 31, 1991 (000's)
Current:		
Federal	$ 97	$ 50
State	17	12
TOTAL PROVISION FOR INCOME TAXES	$ 114	$ 62

NOTE 7: CONDENSED FINANCIAL INFORMATION - PARENT COMPANY ONLY

HOMETOWN BANCSHARES, INC. (PARENT COMPANY ONLY)
CONDENSED BALANCE SHEET
(In thousands)

	March 31, 1992 (unaudited)	December 31, 1991
ASSETS		
Cash and Due From Banks	$ 29	$ 26
Investment in Subsidiaries	7,711	7,566
Other Assets	755	777
TOTAL ASSETS	$ 8,494	$ 8,369
LIABILITIES AND SHAREHOLDERS' EQUITY		
Notes Payable	$ 25	$ 25
Other Liabilities	24	5
TOTAL LIABILITIES	$ 49	$ 30
Common Stock (Par value $1.00, authorized: 3,000,000 shares, outstanding: 337,077 shares in 1992 and 1991)	337	$ 337
Additional Paid-in Capital	4,825	4,825
Undivided Profits	3,283	3,177
TOTAL SHAREHOLDERS' EQUITY	$ 8,445	$ 8,339
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 8,494	$ 8,369

•denotes figures condensed from audited financial statements

HOMETOWN BANCSHARES, INC. (PARENT COMPANY ONLY)
CONDENSED STATEMENT OF INCOME
(In thousands)

	Three Months ended March 31, 1992 (unaudited)
REVENUE	
Dividends from Subsidiary Banks	$ 50
Other Operating Income	2
TOTAL REVENUE	$ 52
EXPENSES	
Interest on Notes Payable	$ 0
Other operating expenses	39
TOTAL EXPENSES	$ 39
Income before Equity in Undistributed Net Income (Losses) of Subsidiaries	$ 13
Equity in Undistributed Net Income (Losses) of Subsidiaries	173
NET INCOME BEFORE INCOME TAXES	$ 186
APPLICABLE INCOME TAXES (BENEFITS)	4
NET INCOME	$ 182

HOMETOWN BANCSHARES, INC. (PARENT COMPANY ONLY)
CONDENSED STATEMENT OF CASH FLOWS
(In thousands)

	For the period ending March 31, 1992
	(unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES	
Dividends Received from Subsidiaries	$ 50
Other Income	2
Income Tax Payments Received from Subsidiaries	19
Interest Paid	0
Cash Paid to Suppliers	(8)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 63
CASH FLOWS FROM FINANCING ACTIVITIES:	
Dividends Paid	(61)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	$ (61)
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	$ 2
CASH & CASH EQUIVALENTS, BEGINNING OF YEAR	26
CASH & CASH EQUIVALENTS, MARCH 31	$ 28
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Net Income	$ 182
NET INCREASE (DECREASE) IN CASH AND CASH	
ADJUSTMENT TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Undistributed Net (Income) of Subsidiaries	$ (173)
Net Amortization of Purchase Premium & Organizational Exp.	31
(Increase) Decrease in Other Assets	4
Increase in Accrued Taxes	19
TOTAL ADJUSTMENTS	$ (119)
NET CASH PROVIDED BY OPERATING ACTIVITIES:	$ 63

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS

SOURCES AND USES OF FUNDS

During the three-month period ended March 31, 1992, Hometown's total assets increased by $1.8 million, or 2.1%. This growth was primarily funded by a $1.6 million, or 2.1%, increase in deposit liabilities. The categories of interest-bearing demand deposits and savings deposits increased by a combined $2.6 million, while time deposits decreased by $1.0 million. Extremely low market interest rates on time deposits has led depositors to transfer and accumulate funds in the more liquid deposit types, such as interest-bearing demand and savings deposits. As long as rates stay at or below their present level, it is expected that this trend will continue.

Loans decreased approximately $0.7 million during the period as loan demand has slowed somewhat. It is expected that the sluggish loan demand, particularly in the consumer loan category, will continue over the near-term. Surplus funds not used to meet loan demand were invested in U.S. Government securities ($200,000 increase), tax-free municipal securities ($300,000 increase), and Federal Funds sold ($1.4 million increase). Hometown also recently invested $284,000 in short-term interest-bearing time deposits in other financial institutions. Hometown will continue to utilize these alternative liquid investments until loan demand shows an increase.

EARNINGS

Consolidated net income for the three-month period ended March 31, 1992, was $182,000 or $.54 per share, compared to $155,000 or $.46 per share during the same period in 1991. This increase of approximately 17% is primarily due to a substantial increase in net interest income. The increase in net interest income resulted from a substantial decrease of $110,000 in total interest expense combined with a slight decrease of only $46,000 in total interest income. Deposit interest expense is expected to continue to decline in the near-term, however, the decline in interest income from loans and investment securities is expected to begin to meet or exceed the decline in interest expense. As a result, Hometown can expect stable or slightly falling net interest income in future periods of 1992.

Another contributor to the increase in net income was a 3.7% decrease in noninterest expense, resulting from specific cost control measures at Hometown's subsidiary banks. Noninterest income declined by $10,000 for the period, due mainly to a decrease in gains on sales of securities. The gain on sale of securities of $18,000 during the 1991 period was effected for tax planning purposes.

The provision for loan losses increased $3,000, or 6.7%, reflecting an adjustment for management's perception of risk currently inherent in the loan portfolio. Management formally assesses the adequacy of the reserve for loan losses and makes adjustments accordingly. The reserve for loan losses at March 31, 1992, was 1.37% of net loans, compared to 1.28% at December 31, 1991. Net charge-offs during the period were $17,000 versus $39,000 during the same period in 1991. While management believes the reserve is currently adequate to absorb both expected and unexpected losses, management intends to methodically increase the reserve to the conservative level of 1.5% within the next two years. This goal may be accomplished by means of an increased provision.

The provision for income taxes increased substantially as pre-tax net income increased similarly, while tax-exempt income has declined somewhat.

LIQUIDITY

Hometown Bancshares, Inc. primary source of liquidity is the attraction and retention of retail deposit accounts. Deposits increased by 2.1% during the period ended March 31, 1992. Deposits will continue to be an excellent source of funds.

Also available to Hometown are short-term market-rate liabilities such as federal funds purchased and securities sold under agreement to repurchase. These instruments are currently used on a very limited basis. Should these sources be needed, they can provide substantial flexibility in dealing with unforeseen cash requirements.

Although liabilities provide its primary sources of liquidity, Hometown also maintains an adequate level of cash and near-cash items on hand to meet day-to-day operating needs. In addition, Hometown owns marketable securities and short-term investments which can be converted to cash quite readily.

Cash and near-cash items, marketable securities, and short-term instruments totalled $36.7 million, or 43% of the total assets and 1.69 times the total demand deposits as of March 31, 1992.

CAPITAL

Hometown maintains capital adequacy through internal capital growth. While total assets increased 2.1% from December 31, 1991 to March 31, 1992, total equity increased 1.3%. The ratio of shareholders equity to total assets was 9.83% at March 31, 1992, as compared to 9.91% at December 31. The current equity to assets ratio far exceeds the current regulatory requirement of 5.5% for bank holding companies. By applying the newly adopted risk-based capital guidelines, effective at year-end 1992, Hometown's capital ratio becomes approximately 14%, which is well in excess of the minimum regulatory risk-based requirements of 4% Tier One capital and 8% total capital. As of March 31, 1992, Hometown had $8.4 million in Tier One capital and $9.0 million in total capital.

PART II -OTHER INFORMATION

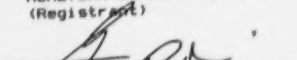
Item 1: Legal Proceedings

The subsidiaries of Hometown Bancshares, Inc. are defendants in certain legal actions arising from normal business activities. The ultimate liability, if any, resulting from these actions will not materially affect Hometown's financial position.

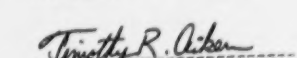
SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

HOMETOWN BANCSHARES, INC.
(Registrant)



Gary R. Davis
President and Director



Timothy R. Aiken
Chief Financial Officer
and Treasurer

Date: May 14, 1992